

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4494-02
Bill No.: HB 1834
Subject: Business and Commerce; Health Care; Health, Public; Hospitals
Type: Original
Date: February 26, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(Unknown exceeding \$847,304)	(Unknown exceeding \$1,018,189)	(Unknown exceeding \$1,045,382)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown exceeding \$847,304)	(Unknown exceeding \$1,018,189)	(Unknown exceeding \$1,045,382)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Greene County Medical Examiner, Greene County Budget Office, Department of Mental Health, Missouri Department of Conservation, Department of Labor and Industrial Relations, Department of Public Safety (DPS) - Missouri Highway Patrol, DPS - Missouri Veterans' Commission** and **Department of Insurance** assume the proposed legislation will not fiscally impact their organizations.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** stated the cost associated with the testing is the responsibility of the employer of the care provider if sustained during employment of the Department of Health and Senior Services if the person tested is the source of significant exposure. This bill does not fiscally impact the HCP.

Officials from the **Department of Highways and Transportation (DHT)** also responded on behalf of the **Missouri Highway Patrol's** medical plan. The DHT officials stated this legislation does not mandate coverage for health benefits and does not apply to health insurance carriers. Therefore, this legislation will have no fiscal impact on MHTC or the Highway and Patrol Medical Plan.

Officials from the **Springfield Police Department** stated there is a small potential cost for exams, estimated to be \$500 or less per year.

Officials from the **Cass County Jail Physician/Cass County Medical Examiner (Cass County)** stated all proposed testing is not in the budget of the jail or the medical examiners office. The budget is approved by the county commission and is fixed. There are no revenues available to the jail or the medical examiner to provide this service.

Oversight assumes that although Cass County stated there are no revenues available to provide the provisions of the proposed legislation, the estimated net effect is minimal.

Officials from the **Office of the Secretary of State (SOS)** state this bill requires persons receiving medical services who may expose health care workers to infectious diseases to be tested to see if they have a disease and informing the care provider of the results. The Department of Health and Senior Services may promulgate rules to carry out these requirements. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Health and Senior Services could require as many as 16 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is ASSUMPTION (continued)

\$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this

legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$984 [(16 pp x \$27) + (24 pp x \$23)].

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Health and Senior Services (DOH)** stated the cost of this proposal is unknown. This assumptions provided are limited to the proposal as written. Forming an assumption is limited to the interpretation of the definitions within the proposal and the availability of data. The DOH assumes that this program will need to employ 1 FTE with the skills and knowledge of a Consultant Community Health Nurse to provide the technical capacity to implement this bill. Based on the definition of contagious or infectious diseases in this proposal, it is assumed that testing for occupational exposure would be limited to hepatitis B, hepatitis C, and tuberculosis and performance of those tests is based upon the recommendations given by CDC in MMWR, June 29, 2001/50 (RR11); 1-42. There is no available reliable data on the number of contagious exposures to care providers who render direct aid without compensation. It is estimated that there are 12,000 occupational exposures to blood borne pathogens in Missouri annually.

For the sake of applying a cost to this bill, the DOH assumes that these are care providers who render direct aid without compensation that could encounter an exposure at a rate of 5% of occupational exposures. The DOH will assume 600 annual exposures and 600 source persons. Each care provider and each source will require two sets of two hepatitis B laboratory tests, one test at the time of exposure and one six months later. The hepatitis B test is to determine antibodies and antigens for hepatitis B to determine current disease or carrier state by the source and resultant infection by the care responder. Each care provider and each source will require at least a hepatitis C laboratory test at the time of exposure and then another 4 to 6 months later to determine current disease or carrier state. The time lines for these tests is important to determine exposure to an incubating disease that may test negative on the first laboratory test. There are two types of screening tests for hepatitis C. If the first test is positive, a more specified test (RIBA) will need to be performed to rule out false negative results.

The DOH will assume that the more specific hepatitis C test would need to be performed 20% of the time. This number was derived from the results of hepatitis C seroprevalence studies. The DOH must assume that there may be at least 1% of the sources who would have signs and symptoms of tuberculosis (TB). That would yield 6 sources. It is difficult to determine the risk of exposure to a ASSUMPTION (continued)

group care provider who render direct aid without compensation as transmission is variable and is dependent on length of exposure and the symptoms of the source. For TB, the DOH will assume

at least 2 care providers exposed per source, for a total of 12 care providers. If a person already has a reactive TB test, then the person should not be screened again and should receive a chest x-ray. The DOH assumes at least 2 chest x-rays would need to be performed. The cost of TB screening would

only be for 16, (6 sources and 10 care providers) or some combination thereof. However, the screening test needs to be repeated again in 3 months to ensure appropriate response to the test.

Because these exposures could occur in any part of the state, the DOH will assume that the laboratory tests would be performed at a private hospital, clinic, or laboratory in order to get the necessary rapid results. The DOH laboratory does not perform hepatitis C testing. The DOH laboratory does not perform hepatitis B testing for exposure incidents. Costs of the TB tests were derived using DOH estimates as provided through local public health agencies and the state TB program. The PPD is estimated at \$21.00, which is the cost of nursing time and the testing materials.

Therefore, based on the assumptions provided above, the DOH estimates the fiscal impact of the proposed legislation to be \$749,704 for FY 03, \$920,970 for FY 04, and \$948,246 for FY 05.

Officials from the **Department of Corrections (DOC)** stated the DOC assumes the premise of this bill is that if DOC employees allege exposure to blood or body fluids then DOC must test the employee as well as the inmate and pay for both people to be tested. Last year DOC had 218 blood and body fluid exposures reported. If each one of these would have post-exposure blood testing done on them, then Hepatitis B testing is approximately \$172.00 per person and Hepatitis C is approximately \$103.00 per person. $218 \times \$275.00 = \$59,950$ for the exposed plus testing the source (exposer) would be an additional \$59,950 to equal \$119,900. These cost are only for body fluid exposures. "Contagious or infectious disease" is too vague to begin to calculate other areas to include. Currently, DOC employee nursing staff determine (using their judgement and experience in conjunction with policy) when staff need testing as the result of alleged exposures. They also take into account the type of exposure. This bill would remove the decision from them and place it in the hands of staff who believe they were exposed. This is likely to increase the numbers of testing from the above-mentioned exposure numbers currently reported.

Therefore, the DOC estimates the fiscal impact of the proposed legislation to be unknown exceeding \$100,000 annually.

Officials from the **Office of Administration (COA) - Division of General Services (DGS)** assume the proposed legislation will not fiscally impact their organization. The COA - Central Accident Reporting Office (CARO) provides workers' compensation benefits to state employees in most state ASSUMPTION (continued)

agencies. The workers' compensation act defines an occupational disease and the responsibilities of the employer to treat an employee. CARO currently meets the obligations of the workers' compensation act. Since this legislation makes no changes to Chapter 287, RSMo, the COA-

DGS assumes no additional cost to CARO. However, it does appear some state agencies and/or local governments would have to meet the cost of testing the source individual, an expense not assumed by CARO. The COA-DGS cannot estimate the potential cost to these organizations and therefore, assumes an unknown cost to local governments.

Officials from the **Jefferson City Police Department, St. Louis County Police Department, City of St. Louis Police Department, Kansas City Police Department, Jackson County Sheriff's Office, St. Louis County Sheriff's Office, Boone County Medical Examiner, Barton County Memorial Hospital, Cass Medical Center, Cooper County Memorial Hospital, Excelsior Springs Medical Center, Lincoln County Memorial Hospital, Pemiscot Memorial Hospital, Phelps County Regional Medical Center, Ray County Memorial Hospital, Samaritan Memorial Hospital, and Ste. Genevieve County Memorial Hospital** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Costs - Department of Health and Senior Services</u>			
Personal Service Costs (1 FTE)	(\$41,974)	(\$51,628)	(\$52,918)
Fringe Benefits	(\$15,115)	(\$18,591)	(\$19,056)
Equipment and Expense - <u>not</u> associated with testing	(\$13,005)	(\$10,939)	(\$11,267)

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
Equipment and Expense - Hepatitis and TB testing	<u>(\$677,210)</u>	<u>(\$837,031)</u>	<u>(\$862,141)</u>
Total <u>Costs</u> - Department of Health and Senior Services	<u>(\$747,304)</u>	<u>(\$918,189)</u>	<u>(\$945,382)</u>
<u>Costs - Department of Corrections</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
Contagious or Infectious Disease Testing	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
Total <u>Costs</u> - Department of Corrections	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown exceeding \$847,304)</u>	<u>(Unknown exceeding \$1,018,189)</u>	<u>(Unknown exceeding \$1,045,382)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ALL LOCAL GOVERNMENTS			
<u>Costs - Local Governments</u>			
Contagious or Infectious Disease Testing	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

The proposed legislation may result in an increase in small business insurance premiums if a significant number of personnel need to be tested for contagious and infectious diseases. The net effect is unknown.

DESCRIPTION

This bill pertains to testing of persons who expose care providers to the risk of contracting an infectious or contagious disease.

The bill: (1) Requires that a person is deemed to consent to testing and to notification of the care provider of test results if a care provider sustains an exposure from a person while providing health care services or other services; (2) Specifies the entity or person who is allowed to conduct the test and the conditions for conducting the test; (3) Prohibits the disclosure of the identity of the person tested unless consent is given. The sample and the test results will be identified by a numbering system; (4) Requires hospitals, institutions administered by the Department of Corrections, and jails to establish written policies and procedures for notifying care providers if exposure occurs; (5) Requires hospitals or other individuals who conduct the test to notify the care provider or designated representative if the person tested is diagnosed or confirmed as having an infectious or contagious disease; (6) Prohibits the care provider from disclosing the identity of the person tested, unless the person consents; (7) Requires the exposed care provider to be advised of seeking medical attention in the event of exposure; (8) Prohibits a hospital, health care provider, or other individual from administering a test to determine the presence of a contagious disease unless a person consents and the requirements of the bill are satisfied; (9) Allows hospitals or health care providers to provide notification to a care provider when the provider's policies require employees to be notified of an exposure to a contagious or infectious disease that is non life-threatening. The notice is prohibited from revealing the patient's name unless consent is obtained; (10) Exempts hospitals, health providers, or other individuals from civil or criminal liability for discharging any duties contained in the bill; (11) Limits the scope of the notification by hospitals or health care providers. Notification is limited to diagnosis of a contagious or infectious disease during an admission, care, or treatment; (12) Prohibits hospitals or health care providers from being liable for civil or criminal liability for performing or not performing the test; (13) Requires the Department of Health and Senior Services to develop rules to implement the bill; and (14) Requires the employer to pay the costs of testing the source person of the exposure and the care provider if the exposure occurred during the course of employment. The department is required to pay the costs of testing the source person of the exposure and care provider who renders direct aid without compensation.

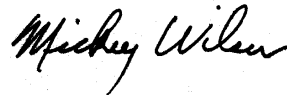
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Greene County Medical Examiner
Greene County Budget Office
Missouri Veterans' Commission
Missouri Consolidated Health Care Plan
Department of Insurance
Springfield Police Department
Cass County Jail Physician/Cass County Medical Examiner
Department of Highways and Transportation
Missouri Department of Conservation
Office of Secretary of State

Department of Public Safety - Missouri Highway Patrol
Department of Health and Senior Services
Department of Corrections
Department of Mental Health
Department of Labor and Industrial Relations
Office of Administration - Division of General Services

NOT RESPONDING: Jefferson City Police Department, St. Louis County Police Department, City of St. Louis Police Department, Kansas City Police Department, Jackson County Sheriff's Office, St. Louis County Sheriff's Office, Boone County Medical Examiner, Barton County Memorial Hospital, Cass Medical Center, Cooper County Memorial Hospital, Excelsior Springs Medical Center, Lincoln County Memorial Hospital, Pemiscot Memorial Hospital, Phelps County Regional Medical Center, Ray County Memorial Hospital, Samaritan Memorial Hospital, and Ste. Genevieve County Memorial Hospital.



Mickey Wilson, CPA
Acting Director
February 26, 2002